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Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and United Nations Peace Forces headquarters

Note by the Secretary-General

1. In paragraph (d) of its decision 52/485 of 26 June 1998, the General Assembly decided to defer consideration of the treatment of the unencumbered balance arising in respect of the period from 1 July 1996 to 30 June 1997 pending the submission of the final performance report for the United Nations Peace Forces.

2. The final performance report for the United Nations Peace Forces is not expected to be issued until the fifty-fourth session of the General Assembly owing to various pending items, some of which are still being negotiated with troop-contributors. It is anticipated that the final performance report will include a request for the appropriation of additional funds by the General Assembly in order to settle amounts owed to Governments. However, the exact amounts to be appropriated and/or assessed cannot be determined until all of the following issues are finalized:

(a) **Determination of amounts owed for usage of contingent-owned equipment, as well as for reimbursement for loss of equipment.** Out of a total of 30 troop-contributing countries, amounts owed for usage of equipment have only been finalized in respect of 13 troop contributors. The issue of compensation for loss of contingent-owned equipment has yet to be addressed. In this connection, it should be noted that financial rule 110.32 was recently amended for the purpose of expanding the Property Survey Board's mandate to include the consideration of claims from Governments for loss of or damage to contingent-owned equipment that they contributed to peacekeeping and similar operations;

Once the total amount to be reimbursed has been determined, it is anticipated that additional funds will have to be appropriated to cover all reimbursement costs. It will be recalled that in paragraph 18 of its report A/50/903/Add.1, the Advisory Committee on Administrative and Budgetary Questions recommended that the provision for contingent-owned equipment be reduced by $51.5 million, pending the results of the review of the surveys to be conducted by staff of the United Nations Peace Forces and their subsequent negotiations with the contingents. The General Assembly, in its resolution 50/235 of 7 June 1996, took note of the comments contained in paragraph 18 of the Advisory Committee's report and decided to keep the amounts budgeted for provision for reimbursement for contingent-owned equipment under review, pending completion of the

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Secretary-General's efforts to process outstanding contingent-owned equipment reimbursement claims;

(b) **Processing of Government claims for goods and services provided to the United Nations Peace Forces.** Claims continue to be received, and in some cases no funds were ever reserved in the accounts to meet the cost of these goods and services. A total of 17 such claims have been received to date from nine Governments which total some $13 million. Additional funds will have to be appropriated for settlement of these claims;

(c) **Settlement of death and disability claims.** A total of 476 claims have been approved for payment to date out of a total of 1,733 reported incidents. The total value of these claims amounts to some $38 million. A total of $44 million was obligated for the purpose of settling death and disability claims. Additional funds may be required for this item if further claims are submitted in excess of the available funds;

(d) **Settlement of troop reimbursement.** There are currently two cases pending with regard to troop reimbursement, one for additional reimbursement and one for recovery of payments already made. Both cases are under negotiation with the respective Governments;

(e) **Review of accounts and liquidation of obligations.** Total unliquidated obligations for the United Nations Peace Forces currently amount to approximately $422 million, of which some $168 million is for contingent-owned equipment and some $6 million is for death and disability compensation. The savings arising from any obligations determined to be no longer required and subsequently liquidated will be available to Member States for offset against any additional assessment made for the United Nations Peace Forces.

3. Additional funds will also need to be appropriated for the value of the budgeted voluntary contributions in kind to the rapid reaction force which the General Assembly decided in paragraph 9 of its resolution 50/235, should be included in the assessed budget of the United Nations Peace Forces and for which reimbursement should be made to the Member State(s) concerned. These contributions have been valued at $12.5 million.

4. Other pending matters include the recovery of payments made by the United Nations Peace Forces for items that should have been provided without cost under the status-of-forces agreements and a claim from the Government of Bosnia and Herzegovina in the amount of $70.7 million. The Secretary-General was requested by the General Assembly, in its resolution 51/12 of 4 November 1996, to pursue recovery of these expenditures and to withhold settlement of claims submitted by the Governments concerned until the matter of the expenditures was resolved. No reimbursement has been made to the United Nations to date for these expenditures and no payments have been made to the Government of Bosnia and Herzegovina.